

Initial Regional Fare Product Proposal

Transit Planning Board
Planning and Funding Committee
July 26, 2007

Overview

- Background
- Type of Initial Product
- Proposed Product Cost and Market
- Potential Revenue Sharing
- Next Steps

Background on Regional Fare Product

- Part of TPB Work Program – Section **
- 28 different Fare Products in April, 2007
- No regional product valid on different systems
- Breeze scheduled to be implemented on all systems by end of 2007

Type of Initial Product

- Focus on monthly passes
 - Regular Transit Users
 - Potentially using more than one system
- Some existing data on potential market size
 - 2005 Survey of Express Bus passengers
 - Data from CCT FY 2005

Proposed Product and Market – Express Pass

- Valid on all trips – express bus, rail and local bus
- \$120-\$125 per month
- Price is more than a single monthly express pass (GCT is \$100)
- Price is less than an express and local pass (Xpress \$80 + MARTA \$52.50 = \$132.50)
- Data available shows over 50% of express bus passengers use a monthly pass
- ~5 – 10% of express bus passengers transfer to MARTA

Proposed Product and Market – Local Pass

- Valid on local bus and rail trips
- \$75 per month
- Price is more than a single monthly express pass (GCT is \$55)
- Price is less than the least expensive two local passes (C-TRAN \$52.50 + MARTA \$52.50 = \$105)
- CCT Data shows that 18% of fares were transfers from MARTA so potential market is likely 10-20% of local bus transfers between systems

Potential Revenue Sharing

- Breeze allows identification of which operator's fare box was used
- Option 1 – Based revenue sharing strictly on percentage of taps
 - Each system splits revenue of monthly pass based upon how many taps each system receives
- Option 2 – Shared based upon number of taps **and** base monthly pass for each system
 - Next slide illustrates

Potential Revenue – Option 2 Example Illustration Only

500 Regional Express
Monthly Passes at
\$120 / pass = \$60,000

MARTA = 10,000 Taps
Monthly Pass = \$52.50

$$10,000 * 52.50 = 525,000$$

Xpress = 3,000 Taps
Monthly Pass = \$80

$$3,000 * 80 = 240,000$$

GCT = 3,500 Taps
Monthly Pass = \$100

$$3,500 * 100 = 350,000$$

CCT = 3,500 Taps
Monthly Pass = \$95

$$3,500 * 95 = 332,500$$

$$\begin{array}{r} 350,000 \\ 525,000 + 240,000 + \\ 350,000 + 332,500 \end{array}$$

$$\begin{array}{l} 24.2\% \Rightarrow \\ 24.2\% * \$60,000 = \\ \$14,508 \end{array}$$

Next Steps

- Ask consultant to continue to move to a formal financial evaluation in cooperation with our partners (MARTA Marketing, Xpress, Breeze implementation team, etc)
 - Refine market potential
 - Refine actual cost of the product
 - Develop programming change costs associated with product
 - Identifying potential groups (TMA, etc) and interest for pilot program
- Come to Board with Full Proposal in September